

1 with this bank?

2 A Which bank, Community State Bank?

3 Q Community Bank of Stark?

4 A No. They bought some advertising from me,
5 but that's the only relationship.

6 Q Now, was this -- you testified that you
7 submitted to Mr. Richardson a draft that you had asked
8 your lawyer to prepare or your lawyer sent you?

9 A A budget, are you talking about?

10 Q No, a draft of a letter.

11 A A draft of a letter.

12 Q That you wanted the bank to sign.

13 A An outline.

14 Q Okay. It wasn't an actual letter. It was an
15 outline of what --

16 A Not that I remember.

17 Q Okay. And, there is reference in this letter
18 to the bank's practice and you'll -- it's in the second
19 full paragraph, that starts, the terms of repayment.
20 References to the bank's practice being to ask for
21 collateral as a first security interest in the
22 company's equipment, personal guarantees of the
23 principals or such collateral as provided by law.

24 Let me break this down.

25 First, did you have an understanding of what

1 Q Okay. Now, Let's turn to Peaches Exhibit 11,
2 if you could. That is the letter from Citizens Bank of
3 Stark. Who was involved in negotiating this letter,
4 you or your wife?

5 A My wife and I originally met with Mr. Kennedy
6 together.

7 Q And, did you know Mr. Kennedy before this?

8 A Yes.

9 Q Did your wife know him?

10 A Yes.

11 Q And, what was the context in which you and
12 your wife each knew him?

13 A Through the community. I believe at one time
14 his wife worked with my wife. And, civic activities
15 and seeing us on the street.

16 Q And, I think that your testimony was that
17 neither this bank nor Community Bank were provided with
18 any documents, other than an outline of what you wanted
19 them to write?

20 A That's basically right.

21 Q You had no prior banking relationship with
22 Mr. Kennedy or Citizens Bank of MacClenny?

23 A Only in that he knew me civically and that --

24 JUDGE LUTON: Banking relationship, is what
25 he is asking about.

1 THE WITNESS: Banking relationship?

2 No, sir.

3 BY MR. HONIG:

4 Q Now, if I could turn your attention to the --
5 there are three items which are represented in this
6 letter as conditions. They are listed as A, B, and C.
7 Now, there is reference in number C to the property
8 being pledged as collateral.

9 What was that property?

10 A Equipment. Radio station equipment.

11 Q Was it also equipment which is scheduled in
12 Peaches Exhibit 8?

13 A 8? Yes.

14 Q And, had you and your wife discussed which
15 items in Peaches Exhibit 8 would be used as collateral
16 to support the letter in Peaches Exhibit 11?

17 A Specific equipment, no.

18 Q And, then you did not communicate to Mr.
19 Kennedy what equipment that would be?

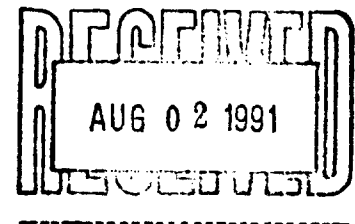
20 JUDGE LUTON: I object.

21 I'm going to propose this line of questioning
22 -- ask you to move away from these letters, unless you
23 can do it in a different way.

24 MR. HONIG: No, actually --

25 JUDGE LUTON: It's irrelevant --

EXHIBIT 2



Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

3	In re Applications of)MM Docket No. 91-10
)
4	Charley Cecil & Dianna Mae White)
	d/b/a WHITE BROADCASTING PARTNERSHIP)File No. BPH-891214MM
5)
	PEACHES BROADCASTING, LTD.)File No. BPH-891214MN
6)
	SAGE BROADCASTING CORPORATION OF)
7	JUPITER, FLORIDA)File No. BPH-891214MR
)
8	NORTHEAST FLORIDA LIMITED PARTNERSHIP)File No. BPH-891214MZ
)
9	JEM PRODUCTIONS, LIMITED PARTNERSHIP)
	C/O JOYCE MORGAN)File No. BPH-891214NA
10)
	For Construction Permit to Build)
11	a New FM Station on Channel 289A)
	in Baldwin, Florida)
12	-----	

13 Deposition of CHARLEY C. WHITE, taken on behalf
14 of the Northeast Florida Broadcasting Corp., pursuant to
15 Notice of Taking Deposition in the above-entitled action,
16 on Tuesday, June 25, 1991, at 8:46 o'clock a.m., at 12
17 North Liberty Street, Jacksonville, Florida, before
18 Stephanie L. Powers, a Notary Public in and for the State
19 of Florida at Large.

1 Q John would be John D. Kennedy, the president
2 identified here?

3 A Yes, sir.

4 Q Okay. The Community State Bank of Starke, are
5 they aware you intend to borrow money?

6 A Yes, they are.

7 Q And you told Mr. Richardson that?

8 A I talked to him.

9 Q Have they each seen the letter provided by the
10 other bank?

11 A It was a very similar letter and I told them
12 verbally that this was what was going on.

13 Q Okay. The next item you've got is Charley and
14 Dianna White, there's -- I can't read the first word, is
15 that lake house?

16 A Lake house equity, yes, sir.

17 Q And what is that address?

18 A 7153 King Street, Keystone Heights, Florida,
19 32656.

20 Q Okay. And what exactly is the lake house?

21 A It's a lake home my wife and I own together.

22 Q Okay. So like a vacation house, is that what
23 you mean?

24 A Yes, sir.

25 Q Okay. All right. So it doesn't have tenants

1 in it, it's not a rental property?

2 A At this particular time, no, it wasn't.

3 Q Okay. Is it now?

4 A We have some relatives living in it for a short
5 time.

6 Q Okay. Are they paying you rent?

7 A When they can.

8 Q All right. The next item you have listed is
9 rental tower equity?

10 A Yes, sir.

11 Q Okay. Could you tell me what that is?

12 A I own 50 percent of a broadcast tower that we
13 built for specific purposes of renting out.

14 Q Okay. And who is we?

15 A My 50 percent partner is Greg Perich,
16 P-E-R-I-C-H.

17 Q Okay. And is that owned as a partnership, as a
18 corporation? How do you own that?

19 A That's owned -- we both own equal shares in
20 Jacksonville Broadcast Group, Incorporated.

21 Q That's a Florida corporation?

22 A Yes, sir.

23 Q Now, how would you obtain access to the \$18,000
24 you have identified there?

25 A We would probably sell our share of the tower

1 to either a tower company or Greg Perich or some other
2 individual.

3 Q Okay. Do you have any standing offer to buy
4 that interest?

5 A For me to buy it or --

6 Q No. Does anybody have an offer outstanding to
7 you interested in buying your share?

8 A No.

9 MR. GREGORY: You said "we would probably sell,"
10 who is we?

11 THE WITNESS: That term referred to my wife and
12 I. She doesn't have anything to do with this, but I
13 would -- you know, I check everything out with her.
14 It's just a matter of husband and wife.

15 MR. GREGORY: I see. Thank you.

16 BY MR. WINSTON:

17 Q Have you investigated the ability -- your
18 ability to sell your 50 percent interest in the rental
19 tower company?

20 A No, I haven't.

21 Q Okay. Do you have any documents which
22 establish the value of your equity in the rental tower
23 company as \$18,000?

24 A Yes, I do.

25 Q Okay. And what document would that be?

1 A That's an appraisal from the tower company that
2 built the tower.

3 MR. WINSTON: Okay. Counsel, I would like to
4 request production of that.

5 MRS. MOLINE: (Nods head.)

6 BY MR. WINSTON:

7 Q When was that appraisal done?

8 A It was done shortly before we filed the
9 application in trying to list all of our equity. I'm not
10 sure -- to put a date on it, probably looking at late
11 November, 1989.

12 MR. GREGORY: For the record, so it won't be
13 repetitious, whenever a counsel requests a document,
14 that it applies to all.

15 MRS. MOLINE: Everybody will get a copy, yes.

16 MR. GREGORY: Thank you.

17 MRS. MOLINE: That's standard procedure.

18 MR. GREGORY: Just wanted to make certain we
19 were on that wavelength.

20 BY MR. WINSTON:

21 Q All right. The next item you have listed is
22 your home equity. Do you have any documents which
23 identify -- which demonstrate that the equity in your home
24 is \$15,000?

25 A Yes.

1 Q And what would that be?

2 A That was an appraisal from a real estate
3 company.

4 Q Okay. And when was that done?

5 A Late November of 1989.

6 MRS. MOLINE: Yes, I will.

7 MR. WINSTON: You will produce it? Thank you,
8 Counsel.

9 BY MR. WINSTON:

10 Q Going back up, lake house, do you have a
11 document demonstrating the value of that equity?

12 A Yes, we do.

13 Q Okay. And is that an appraisal, also?

14 A Yes, it is.

15 Q When was that done?

16 A That was done in -- in conjunction with the
17 mortgage and we're probably looking at possibly sometime
18 in 1987.

19 MR. WINSTON: Okay. Counsel, would you produce
20 that for us, okay?

21 MRS. MOLINE: (Nods head.)

22 BY MR. WINSTON:

23 Q Okay. Next we have Charley White, Citibank
24 Preferred Visa. I assume, correct me if I'm wrong, does
25 your account statement show the balance available or

1 1990.

2 Q Had it been designated for hearing?

3 A My best recollection is it probably had been.

4 Q Did you file the hearing fee?

5 A No.

6 Q And Gregory Perich, is that how it's --

7 A Perich, H is like K.

8 Q Okay. That's your partner in the tower

9 company; is that correct?

10 A Yes.

11 Q Okay. And he was your partner in the Alachua,

12 Florida application?

13 A Yes, sir.

14 Q Okay. Did you have any financial obligation to

15 the Alachua application?

16 A Just that we had -- it was a 50/50 partnership

17 and my obligation was 50 percent.

18 Q Okay. And had you identified any sources of

19 funding for that application?

20 A No.

21 Q You had no bank letter or anything like that?

22 A No.

23 Q Who signed that application?

24 A I'm not sure.

25 Q There were no documents that said that you

1 were going to put up your personal money on behalf of that
2 application?

3 A No. I think it was, to the best of my
4 knowledge, a verbal agreement. We may have -- we may --
5 our attorney at that particular time may have drawn up a
6 partnership agreement for us.

7 Q Who was your attorney then?

8 A Fred Polner.

9 Q Fred Polner?

10 A Polner.

11 Q How do you spell that?

12 A P-O-L-N-E-R.

13 Q Where is he located?

14 A Pittsburgh -- Philadelphia? It's --

15 Q I'm afraid I can't help you, I don't believe
16 Mrs. Moline can either.

17 A I believe Philadelphia.

18 Q Pittsburgh or Philadelphia; is that a fair
19 statement?

20 A Yes, sir.

21 Q How did you come to retain Mr. Polner?

22 A He was Greg Perich's original attorney and it
23 was just a natural for us just to slide right into it.

24 Q Okay. Were any of the funds identified in your
25 application on Page 6 that we just identified, that we just

1 went through, were any of the sources of funding listed
2 there ever committed to the Alachua application?

3 A I had always had it in the back of my mind that
4 our lake house equity would be something that we would
5 look at, but I had also thought that financing would be
6 easily obtainable for the project.

7 Q Do you recall whether or not when the Alachua
8 application was filed -- let me begin the question again.
9 Do you recall whether, when the Alachua application was
10 filed, the applicant for that frequency, i.e. the general
11 partnership or Charley C. White and Gregory G. Perich, did
12 that applicant certify that it was financially qualified
13 to construct that station?

14 A I think as a matter of the application, yes.

15 Q Other than the lake house equity, are there any
16 other sources of funding on Page 6 that you contemplated
17 using for the Alachua application?

18 A No. And I want to state that I'm not even sure
19 we were going to use the lake house equity. We had
20 assumed at that particular time that financing would be
21 readily available for this project.

22 Q Are you saying that you didn't have a firm
23 financing plan when you filed the application?

24 A No, we had a real good idea of what it would
25 take, but we also had a good idea what -- what we could

1 line of credit that he proposed, which you've already
2 understood is up to 75- -- in the amount of \$75,000, which
3 according to this letter, is for funding necessary costs
4 in connection with the construction, operation of an FM
5 station is expressly limited to designated pieces of
6 equipment, was that expressly agreed?

7 A I don't think that it was expressly, no.

8 Q Okay.

9 A But the sentence does say: Funding necessary
10 costs in connection with.

11 Q The construction and operation, and that's
12 why I'm asking, it says: Construction operation, but
13 it doesn't expressly state certain pieces of equipment,
14 other pieces of equipment not to be included, that's why
15 I'm asking you that. So you're saying it was not
16 expressly discussed or agreed -- I mean it's not expressly
17 agreed; is that correct?

18 A Right.

19 Q All right, sir. Now, if you would, tell me
20 which documents were presented to Citizens Bank of
21 Macclenny, either to Mr. Kennedy directly or anyone else
22 at that bank prior to or at the time of receiving the
23 letter of credit commitment.

24 A I believe he wanted to know basically what type
25 of outline it should take and I think I provided him with

1 some type of an outline where we included --

2 Q So we're not -- so we're not unclear on this
3 record, you said some kind of outline. Are we talking
4 about something verbally that you did or are we talking
5 about something in written form?

6 A I believe it was written.

7 Q Okay. Do you have those documents? I would so
8 request, if you do, copies of all those documents that you
9 relied upon in the presentation of this request in
10 obtaining the \$75,000 line of credit.

11 A Somewhat of an outline, but I'm not sure on
12 that.

13 Q If you would like to take a moment to reflect on
14 what you have in answering the question, I have no problem
15 with pausing. I don't want you to stumble through thinking:
16 Maybe I did, maybe I didn't. If you want to take a moment
17 to --

18 A I want to be very accurate.

19 Q And I appreciate that. That's why I'm giving
20 you the opportunity to sit back and reflect on it, or even
21 take a break if you want to take an opportunity to discuss
22 this thing with your counsel. If you are going to take a
23 break, I will request that you discuss the same with her
24 regarding the other bank as well, because the same
25 question I'm asking about Citizens Bank I'm going to ask

1 Q By production, what do you mean?

2 A Commercials, typing script and producing
3 commercials.

4 Q They would make commercials?

5 A Yes.

6 Q Make the copy and the rest?

7 A We -- this is how we planned, yes. They would
8 write some copy.

9 Q Who would handle advertising?

10 A Who would handle advertising?

11 Q Yes, sir.

12 A As sales manager, I would.

13 Q Was it contemplated that everyone would be
14 getting essentially a minimum wage-type situation
15 initially?

16 A Initially --

17 MRS. MOLINE: Objection, we're getting into
18 financial details for operation which is too close.

19 Q Let me ask you this: What percentage of the
20 employee costs were projected within the 120,000?

21 A A dollar amount?

22 Q Percentage.

23 MRS. MOLINE: No, percentage.

24 A Oh, percentage? Possibly seven and a half
25 percent.

1 you mean by --

2 A Well, when you're station manager of a station
3 and this type of -- this time of year hits you, you're
4 looking at Christmas, you're looking at getting your
5 application filed with your wife, which is what we're
6 looking at at the time, and we're still trying to put in a
7 good ten hours a day for WJXR radio. That's a real
8 money-making time for a radio station and you either do it
9 or you don't.

10 Q But those responsibilities didn't keep you from
11 filing the Baldwin application; is that correct?

12 A My responsibilities for the station?

13 Q Right. They didn't keep you or interfere with
14 your ability to file an application that you had here for
15 the Baldwin application in any way?

16 A No, I would say not, we filed.

17 Q And none of the matters referred to on that
18 same Page 6 as being sources of funds for this partnership
19 in this Baldwin venture were included in the application
20 for contemplation of sources for financing for the Alachua
21 County except for the lake house; is that correct?

22 A The lake house was the only thing that went
23 through our minds. We had plenty of equity there and
24 that's -- that's what we had went through.

25 Q Okay. All right. Thank you, sir. Did you

EXHIBIT 3

SECTION III - FINANCIAL QUALIFICATIONS

Peaches # 9
P. (of)

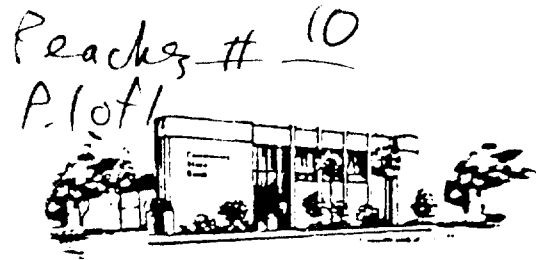
NOTE: If this application is for a change in an operating facility do not fill out this section.

1. The applicant certifies that sufficient net liquid assets are on hand or that sufficient funds are available from committed sources to construct and operate the requested facilities for three months without revenue. ☒ Yes ☐ No
2. State the total funds you estimate are necessary to construct and operate the requested facility for three months without revenue. \$ 120,705.00
3. Identify each source of funds, including the name, address, and telephone number of the source (and a contact person if the source is an entity), the relationship (if any) of the source to the applicant, and the amount of funds to be supplied by each source.

Source of Funds (Name and Address)	Telephone Number	Relationship	Amount
Community State Bank of Starke P.O. Drawer 460 Starke, Florida 32091 Eugene Richardson Asst.V.P.	(904) 964-7830		\$100,000.00
Citizens Bank of Macclenny 2 Fifth Street North Macclenny, Florida 32063 John D. Kennedy, President	(904) 259-3116		\$75,000.00
Charley and Dianna White (Home House Equity) 7153 King Street Keystone Heights, Florida 32656	(904) 259-4821		\$50,000.00
Charley White (Rental Tower Equity) (50%) 20,000 West Beaver Street Jacksonville, Florida	(904) 259-4821		\$18,000.00
Charley and Dianna White (Home Equity) 707 Newport Street Macclenny, Florida 32063	(904) 259-4821		\$15,000.00
Charley White Citibank Preferred Visa # 4271-3820-8013-0392 Box 6062 Sioux Falls, SD. 57117	(800) 645-9565		\$5,000.00

EXHIBIT 4

COMMUNITY STATE BANK
of Starke



CHARLEY E. JOHNS
Chairman of the Board
JEROME JOHNS
President
DR. PETE G. FELOS
Vice President

December 6, 1989

Mr. and Mrs. Charles White
707 Newport Street
Macclenny, Florida 32063

Dear Charles and Dianna:

In connection with your plans to file an application with the Federal Communications Commission for a permit to construct a new FM broadcast station in Baldwin, Florida, and based upon the preliminary projections you have submitted, we are willing to provide you with a letter of credit in the amount of \$ _____ for funding necessary costs in connection with the construction and operation of the FM station provided the following conditions are met:

- a. You are successful in obtaining approval from the FCC to construct the proposed station in Baldwin, Florida;
- b. All reasonable and ordinary credit criteria of Community State Bank of Starke are met at such time as you formally request the letter of credit.

The terms of repayment of any loan or credit commitment will be contingent upon the exact credit conditions prevailing at the time of such commitment. It is the Bank's normal practice to calculate interest on any loan at the rate of 2% above the prime rate of the Bank at the time of any loan. It is the Bank's practice to ask for collateral for its loans and for credit extended to its customers, and the Bank is usually willing to accept as such collateral a first security interest in the Company's equipment, personal guarantees of the principals, or such other collateral as permitted by law.

We understand that this letter may be provided to the FCC as proof of reasonable assurance of financing. This letter shall not, however, be construed as a binding loan or credit commitment at this time.

It is a pleasure to furnish you this letter of reasonable assurance. We hope you will receive approval for the construction of a new FM broadcast station at an early date.

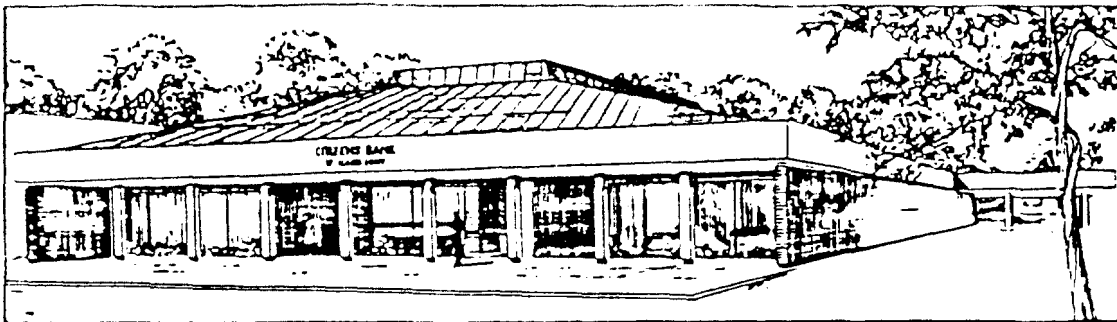
Very truly yours,

Eugene Richardson
Asst. Vice President

STARKE'S FRIENDLY BANK

MEMBER FDIC • P.O. DRAWER 460 • 904-964-7830 • STARKE, FLORIDA 32091

EXHIBIT 5



Citizens Bank of Macclenny · 32 Fifth Street North · P.O. Box 545 · Macclenny, Florida 32063 · (904) 259-3116

November 21, 1989

Peaches # 11
P. 1 of 1

Mr. & Mrs. Charles White
707 Newport Street
Macclenny, Florida 32063

Dear Charles and Dianna:

In connection with your plans to file an application with the Federal Communications Commission for a permit to construct a new FM broadcast station in Baldwin, Florida, and based upon the preliminary projections you have submitted, we are willing to provide you with a letter of credit in the amount of \$ for funding necessary costs in connection with the construction and operation of the FM station provided the following conditions are met:

- a. You are successful in obtaining approval from the FCC to construct the proposed station in Baldwin, Florida;
- b. All reasonable and ordinary credit criteria of Citizens Bank of Macclenny, Florida are met at such time as you formally request the letter of credit.
- c. Current appraisals sufficient to secure Letter of Credit on the property being pledged as collateral.

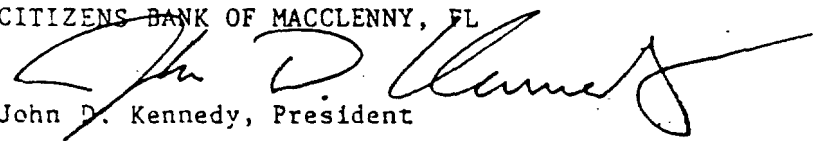
The terms of repayment of any loan or credit commitment will be contingent upon the exact credit conditions prevailing at the time of such commitment. It is the Bank's normal practice to calculate interest on any loan at the rate of two percent (2%) above prime rate of Citizens Bank, at the time of any loan, and to require that the loans be repaid, ranging from five (5) to fifteen (15) years dependent upon the collateral being offered.

We understand that this letter may be provided to the FCC as proof of reasonable assurance of financing. This letter shall not, however, be construed as a binding loan or credit commitment at this time.

It is a pleasure to furnish you this letter of reasonable assurance. We hope you will receive approval for the construction of a new FM broadcast station at any early date.

Very truly yours,

CITIZENS BANK OF MACCLENY, FL


John D. Kennedy, President



"A FRIENDLY BANK SERVING A FRIENDLY COMMUNITY"



Peaches # 7
P. 1 of 1

MNLY

Salaries

1 GM/SM

~~1 SM~~

1 SECT./BOOKKEEPER

3 JOCKS E.T.

4 JOCKS P.T.

ENG./P.T.

Utilities

LIGHTS

TX

STUDIO

TELE

Rent

Tapes

?

Loans

(80,000)

Music Licensing

BMI

ASCAP

Supplies

Office Equipment Rental

~~Attorneys~~

Petty Cash

EXHIBIT 6